

Message Text

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PAGE 01 STATE 143071
ORIGIN TRSE-00

INFO OCT-01 AF-10 ISO-00 PM-05 DODE-00 CIAE-00 INR-10
NSAE-00 EB-08 OMB-01 L-03 /038 R

DRAFTED BY TREASURY:CCROSSWHITE:RG
APPROVED BY PM/SAS:HMCELROY
PM/SAS:COCECIL
AF/C:RMARCUS
DOD/DSAA:JDESOTO

-----091948 071125Z /14

R 062140Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY YAOUNDE

UNCLAS STATE 143071

E.O. 11652: N/A

TAGS: MASS, CM

SUBJECT: SEPARATE INTEREST RATE

REF: YAOUNDE 2683

1. SEPARATE INTEREST RATE IS ESTABLISHED BY FFB FOR EACH ADVANCE OF FUNDS AND IS BASED ON COST OF MONEY TO USG ON THAT DAY PLUS 1/8 OF 1 PERCENT. AFTER LAST ADVANCE OF FUNDS, FFB COMPUTES A WEIGHTED AVERAGE INTEREST RATE FOR APPLICATION AGAINST OUTSTANDING PRINCIPAL TO COMPUTE SUBSEQUENT INTEREST COST. CURRENTLY, INTEREST RATES FOR ADVANCES ARE APPROXIMATELY 8-8.5 PERCENT.

2. GURC CAN DESIGNATE WHOMEVER IT DESIRES TO SIGN LOAN AGREEMENT OR PROMISSORY NOTE. AGREEMENTS ARE SIGNED IN WASHINGTON BECAUSE EXPERIENCE HAS SHOWN THAT MATTERS BECOME CONFUSED-AND DELAYED WHEN SIGNED ELSEWHERE, AND US UNCLASSIFIED

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EMBASSIES ARE-GENERALLY NOT EXPERIENCED IN DETERMINING ADEQUACY OF NECESSARY AUTHORIZING DOCUMENTATION PROVIDED BY HOST GOVERNMENT. IF NECESSARY, AMBASSADOR BINDZI COULD SIGN LOAN AGREEMENT IN WASHINGTON AND PROMISSORY NOTE COULD BE SENT TO YAOUNDE FOR MINISTER YONDO TO SIGN. PROMISSORY NOTE IS THE DEBT INSTRUMENT AND INCLUDES THE PRINCIPAL AND INTEREST REPAYMENT SCHEDULES. ALL THAT

WOULD BE REQUIRED WOULD BE FOR THE GURC TO SPECIFY (IN ITS SIGNING AUTHORITIES) THAT THE AMBASSADOR OF THE URC TO THE U.S. IS AUTHORIZED TO SIGN A LOAN AGREEMENT IN THE AMOUNT OF DOLS 5 MILLION WITH THE FEDERAL FINANCING BANK, AND THAT THE MINISTER OF FINANCE OF THE GURC IS AUTHORIZED TO SIGN THE PROMISSORY NOTE CONNECTED WITH THAT LOAN. ALSO (IN ORDER TO BE SURE ALL AUTHORIZATIONS ARE PROVIDED) THERE WILL NEED TO BE A GURC AUTHORIZATION TO SOME REPRESENTATIVE(S) PERMITTING THAT PERSON(S) TO SIGN REQUESTS FOR ADVANCES OF FUNDS AND OTHER DOCUMENTS CONTEMPLATED BY THE LOAN AGREEMENT. IT HAS BEEN FOUND TO BE MORE EFFICIENT IN CONDUCTING BUSINESS (BOTH FOR THE BORROWING COUNTRY AS WELL AS THE USG) IF THIS PERSON(S) IS LOCATED IN WASHINGTON. FURTHER, IF THE PERSON(S) IS DESIGNATED BY TITLE, E.G., THE AMBASSADOR OF THE URC TO THE U.S., OR THE DEFENSE, MILITARY, NAVAL AND AIR ATTACHE OF THE EMBASSY OF THE URC IN WASHINGTON, IT SAVES ADMINISTRATIVE BURDEN AND DELAYS WHEN THE INCUMBENT ROTATES. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Draft Date: 06 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE143071
Document Source: CORE
Document Unique ID: 00
Drafter: CCROSSWHITE:RG
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Film Number: D780237-0801
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780689/aaaaczet.tel
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Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2466306
Secure: OPEN
Status: NATIVE
Subject: SEPARATE INTEREST RATE
TAGS: MASS, CM
To: YAOUNDE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/76bee390-c288-dd11-92da-001cc4696bcc
Review Markings:
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